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ஆண்டறிக்கை - 2014

ஊவா வெல்லஸ்ஸ பல்கலைக்கழகம்

Annual Report - 2014  
Uva Wellassa University



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Uva Wellassa University  
Passara Road  
Badulla

ஊவா வெல்லஸ்ஸ பல்கலைக்கழகம்  
பசறை வீதி  
பதுளை



# **Annual Report - 2014**

**Uva Wellassa University**

# Table of Contents

01.	Our Vision .....	01
02.	Our Mission .....	01
03.	Vice Chancellor's Message .....	02
04.	Human Resources & Students .....	05
05.	Details of Enrollment of Students .....	06
06.	Academic Staff .....	09
6.1.	Details of Academic Staff in 2014 .....	09
6.2.	Library Staff .....	10
07.	Administrative & Non Academic Staff .....	10
7.1.	Administrative Staff .....	10
7.2.	Support Staff .....	11
7.3.	Distribution of Support Staff .....	12
08.	Research, Innovations & Publications .....	13
09.	Programmes, Seminars & Workshops .....	13
10.	Details of Awards Received .....	13
11.	Details of Recurrent Expenditure .....	14
12.	Details of Capital Expenditure .....	14
13.	Details of Project (Local/Foreign Funded) .....	14
14.	Details of Project Expenditure (Local/Foreign Funded) .....	15
15.	Details of Financial Progress (Expenditure) .....	15
16.	Details of Financial Progress (Generated Income) .....	15
17.	Financial Performance Analysis 2014 .....	16
18.	Details of Infrastructure Facilities Received in 2014 .....	16
19.	Statement of Financial Position as at December 31, 2014 .....	17
20.	Statement of Financial Performance for the Year Ended December 31, 2014 .....	18
21.	Cash Flow Statement for the Year Ended December 31, 2014 .....	19
22.	Report of the Auditor General .....	20
23.	Answers to the Report of the Auditor General .....	31



## **1. Our Vision**

**Be the center of excellence for value addition to the national resources through creation and dissemination of knowledge in the areas of emerging technologies, sustainable production practices and processes in agriculture and industry, entrepreneurship, sustainable management practices and processes, and medical sciences to achieve prosperity and well being**

## **2. Our Mission**

**To produce well-rounded and fully employable technocratic and entrepreneurial graduates who are equipped with relevant knowledge, essential skills, entrepreneurial abilities, values, and attitudes to make outstanding contributions to national development by adding value to economic activity**

### 3. Vice Chancellor's Message

Uva Wellassa University was established on June 01, 2005 as the 14<sup>th</sup> National University of Sri Lanka. It is considered as experimentation to build up a university co-related to meet the demand of the economic development of the country. Thus it differentiated from traditional university system with modern educational concepts: aiming of producing of graduates with entrepreneurial skills and competencies.

We equip our young entrepreneurs with best possible tools to become experts when they face the society which demands effective actions towards national development. They are the fruits of this concept and successful end product of the experimentation of Sri Lankan higher education system. It is now after several years of establishment of the university we can truly evaluate the outcome of that experimentation.

Uva Wellassa University focus on research and learning with strong emphasis on value addition to the national resources to produce well-rounded leaders capable of using scientific, technological and entrepreneurial for economic development within undergraduate, graduate, postgraduate, corporate as well as continuing education markets.

The Uva Wellassa University is spread across 59 acres land located in Badulla on mountainous site with spectacular panoramic view.

Uva Wellassa University has three faculties namely.

1. Faculty of Animal Science and Export Agriculture
2. Faculty of Science and Technology
3. Faculty of Management

Following degree programmes are offered by the University.

- |                                                     |                                                                                                                                                                                                                                                      |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) Faculty of Animal Science and Export Agriculture | <ol style="list-style-type: none"><li>I. Animal Science</li><li>II. Export Agriculture</li><li>III. Tea Technology &amp; Value Addition</li><li>IV. Aquatic Resources Technology</li><li>V. Palm &amp; Latex Technology and Value Addition</li></ol> |
| 2) Faculty of Science and Technology                | <ol style="list-style-type: none"><li>I. Science &amp; Technology</li><li>II. Computer Science &amp; Technology</li><li>III. Industrial Information Technology</li><li>IV. Mineral Resources &amp; Technology</li></ol>                              |
| 3) Faculty of Management                            | <ol style="list-style-type: none"><li>I. Entrepreneurship &amp; Management</li><li>II. Hospitality, Tourism and Events Management</li></ol>                                                                                                          |

Compulsory programs are available to develop communication skills of the students. The degree programs are not confined to subjects/course modules offered by individual departments.

I would like to state that special attention has been paid to monitor the progress of Corporate Plan prepaid for 2013 - 2018 together with the Action Plan. Action has been taken to Corporate Plan reviewing/monitoring throughout the year. The Corporate Plan has identified following key areas to be developed to achieve the University key objectives.

- Provide quality undergraduate study programmes in diverse fields with National and Global Relevance
- Provide entrepreneurial skills for undergraduates
- Enhance English and IT skills of the undergraduates
- Improve employability prospects of graduates
- Improve soft skills of the undergraduates
- Promote and support sports and physical education activities
- Introduce quality postgraduate study programmes
- Develop competencies and dedication of staff

The Faculties themselves have taken various measures to implement the activities specified in the Action Plan. Accordingly, revisions of syllaby of the existing programme and also introducing new methods have already been introduced to improve the quality of the degree programme.

Significant number of students are benefited from the hostel facilities which are well managed and a good environment exists for their studies. The university attempts to develop an environment conducive to inculcate cultural and ethical values in students by providing all the required facilities of a residential university. All academics have to fulfil three pillars of services; academic activities research and corporate social responsibilities.

Staff Development Centre in the university is committed to train young academics who joined the university. Research funds were provided to academic staff in spite of budgetary constraints for young researchers to start their career by presenting their findings to the research community. Research Sessions are conducted within a very short period of time to present research findings. University research directly contributes to the national resources development and social welfare.

The vision and mission of the UWU are clear and known by all stakeholders. All the responsibilities for different activities are clearly identified in the Corporate Plan. The financial resources are effectively utilized by the university.

The Career Guidance Unit of the university has conducted various teaching programmes aiming to develop career path of the students and conducted workshops, seminars for students to identify their career path.

Staff Development Centre is headed by the senior academic staff member and it has been satisfactory conducted teaching methodology course for newly recruited young lecturers. In addition various workshops and seminars had been conducted to enhance managerial skills of academic, administrative and non academic staff.

Dr. G. Chandrasena  
Vice Chancellor  
Uva Wellassa University

## 4. Human Resources & Students

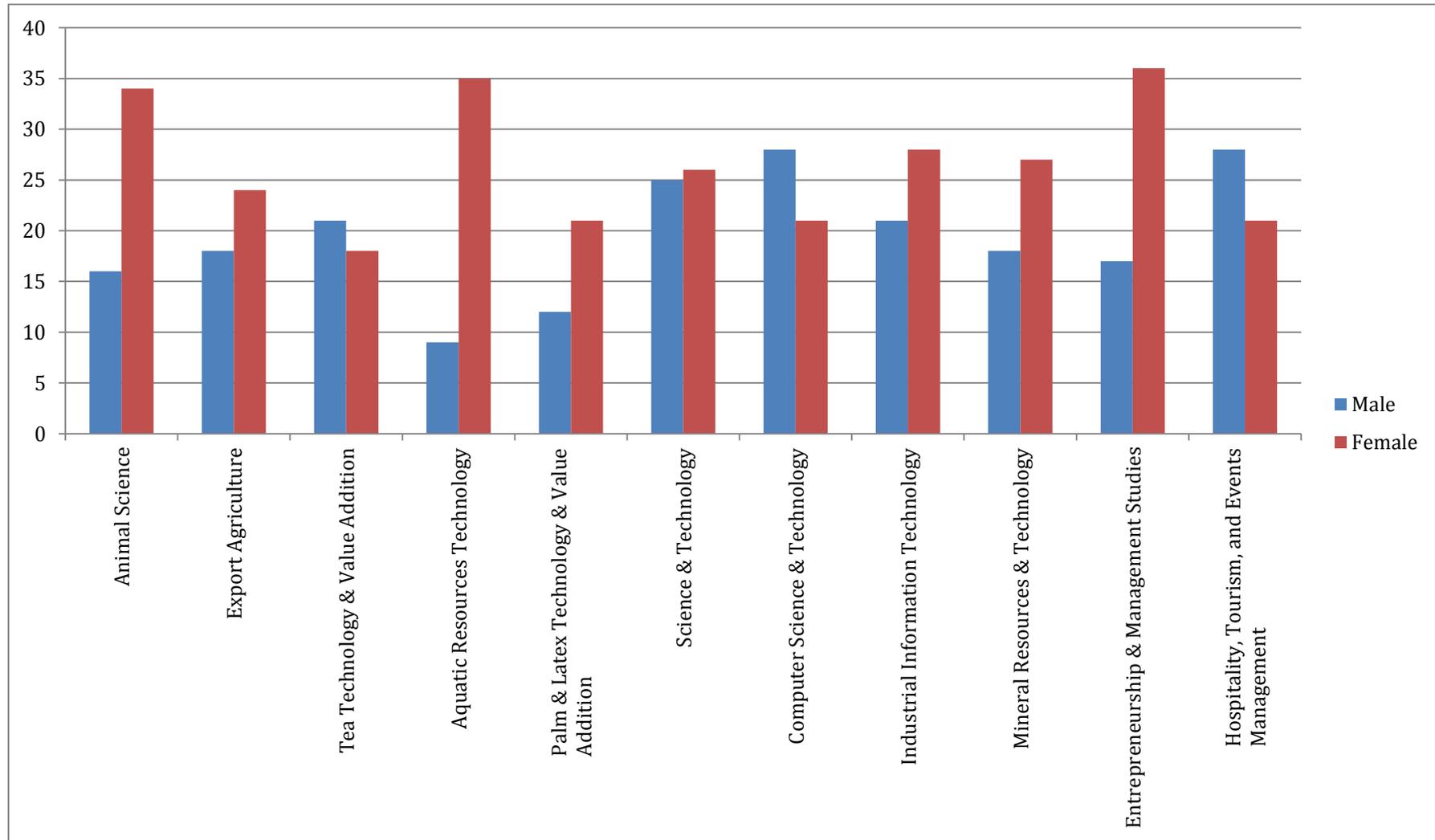
Faculty	Course of Study	Total Students	Total Academic Staff	Total Non-Academic Staff
Animal Science & Export Agriculture	Animal Science	178	57	There were 82 Non Academic and 16 Administrative Staff members who were shared by all three Faculties and the General Administration
	Export Agriculture	160		
	Tea Technology & Value Addition	144		
	Aquatic Resources Technology	160		
	Palm & Latex Technology and Value Addition	138		
Science & Technology	Science & Technology	190	54	
	Computer Science & Technology	208		
	Industrial Information Technology	177		
	Mineral Resources & Technology	157		
Management	Entrepreneurship & Management Studies	200	27	
	Hospitality, Tourism and Events Management	199		
<b>Total</b>		<b>1911</b>	<b>138</b>	

## 5. Details of Enrollment of Students

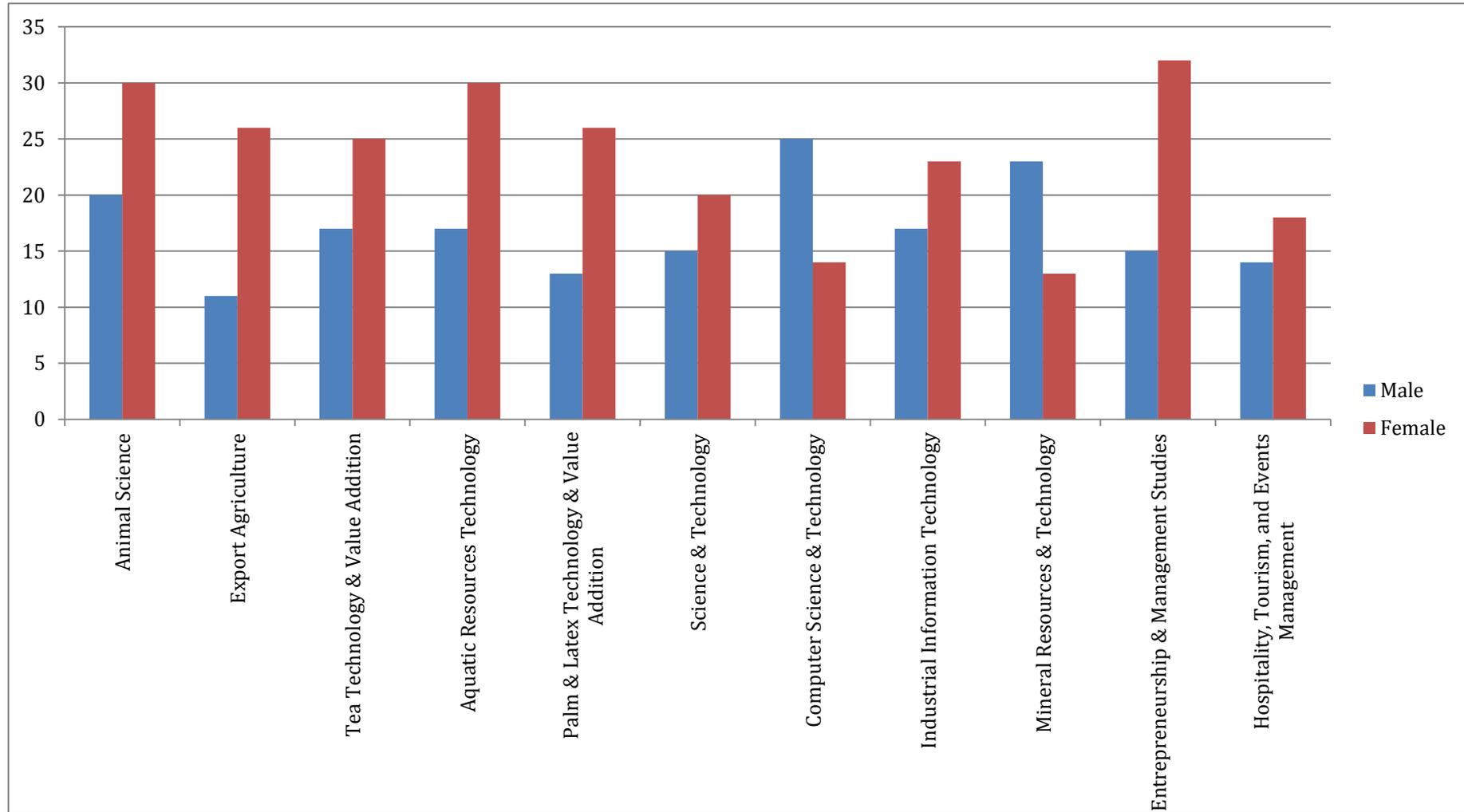
Uva Wellassa University enrolls only 55 students for each degree programme every year. They were selected based on the performance in the G.C.E (A/L) Examination and on the performance of an Aptitude Test conducted by the Uva Wellassa University.

Faculty	Course of Study	Medium	1 <sup>st</sup> Year Students (2012/2013 Batch)	2 <sup>nd</sup> Year Students (2011/2012 Batch)	3 <sup>rd</sup> Year Students (2010/2011 Batch)	4 <sup>th</sup> Year Students (2009/2010 Batch)	Number of Graduates (2008/2009 Batch)
Animal Science & Export Agriculture	Animal Science	English	50	47	44	37	50
	Export Agriculture		42	44	37	37	37
	Tea Technology & Value Addition		39	23	41	41	42
	Aquatic Resources Technology		44	34	40	42	47
	Palm & Latex Technology and Value Addition		33	24	45	36	39
Science & Technology	Science & Technology		51	50	43	46	35
	Computer Science & Technology		49	67	48	44	39
	Industrial Information Technology		49	38	45	45	40
	Mineral Resources & Technology		45	32	42	38	36
Management	Entrepreneurship & Management Studies		53	52	49	46	47
	Hospitality, Tourism, and Events Management	49	55	47	48	32	
<b>Total</b>			<b>504</b>	<b>466</b>	<b>481</b>	<b>460</b>	<b>444</b>

## Gender Distribution of the New Intake - 2014 (2012/2013 Batch)



## Gender Distribution of the Students Graduated in the Year 2014 (2008/2009 Batch)



## 6. Academic Staff

### 6.1 Details of Academic Staff in 2014

Faculty	Area of Subject	Medium	Senior Professors	Professors	Senior Lecturers Gr. i/ii	Lecturers	Lecturers (Prob.)	Tem. Lecturers/ Demonstrators
Animal Science & Export Agriculture	Animal Science	English	-	-	07	03	29	18
	Export Agriculture							
	Tea Technology & Value Addition							
	Palm & Latex Technology and Value Addition							
Science & Technology	Aquatic Resources Technology	English	-	-	9 (2)	02	18	23
	Science & Technology							
	Computer Science & Technology							
	Industrial Information Technology							
Management	Mineral Resources & Technology	English/ Sinhala/ Tamil	-	-	05	05	11	06
	Entrepreneurship & Management Studies							
	Hospitality, Tourism, and Events Management							
<b>Total</b>	Broad General Education & Essential Skills		-	-	<b>21 (2)</b>	<b>10</b>	<b>58</b>	<b>47</b>

Temporary Senior Lecturers are indicated in brackets ()

## 6.2 Library Staff

**Ms. K.M.R.K. Kulathunga**, BA (Peradeniya), PG Dip. in Distance Education (India), MLISc (Delhi). Assistant Librarian (On study leave w.e.f. 25.07.2013)

**Ms. D.P.C. Vithana**, BSc (Sri Jay.) Assistant Librarian

**Mr. T. Pratheepan**, BEcon (Eastern), MSc LI (India), PG Dip. in HRM (India). Assistant Librarian (On study leave w.e.f. 01.12.2013)

**Ms. S.S. Johoran**, BSc (Sabaragamuwa). (Contract basis)

## 7. Administrative & Non Academic Staff

### 7.1 Administrative Staff

*The number of Administrative Staff members served in each category for the year 2014 is as follows:*

Category	No. of Staff
Registrar	01 (On contract)
Senior Assistant Registrar	02
Senior Assistant Bursar	04
Senior Assistant Internal Auditor	01
Assistant Registrar	03
Assistant Bursar	-
University Medical Officer	01
Project Manager (Contract Basis)	01
Chief Security Officer	01 (On contract)
Chief Marshal	-
Other	02
<b>Total</b>	<b>16</b>

Positions of Bursar, Chief Security Officer and Director of Physical Education were vacant.

## 7.2 Support Staff

All services of Clerical and Allied Grades other than the services of Technical Officers were obtained through the Trainees who were later appointed on assignment basis as Operations Assistants. The Operations Assistants fulfil a multitude of functions including computer related work, clerical work, operational work and secretarial work. Uva Wellassa University administration was driven by aiming operational success and the Operations Assistants have demonstrated their skills and proved the success of Uva Wellassa University strategy.

All appointees were from Uva Province and reside in close proximity to the university. The category and number of all non-academic and support staff members were given below.

Category	Number of Staff
Technical Officer	02
Computer Applications Assistant (CAA) (Casual)	04
Operations Assistants (OA) (Assignment Basis)	20
Trainees	54
Store Keeper	01
Shroff	01

Further, the services of two Sub Wardens and a Sports Officer were outsourced from outside Service Providers.

### 7.3 Distribution of Support Staff

Faculty / Branch	Most Senior	Senior Staff (OA and CAA)	Junior Staff (Trainee)	Minor Employees
Vice Chancellor's Office	-	02	-	None *
Registrar's Office	-	01	01	
Faculty of Animal Science & Export Agriculture	-	02 (01**)	04	
Faculty of Science & Technology	-	03 (01**)	07	
Faculty of Management	-	-	04	
Student Affairs Division	-	03	06	
Human Resources Division	-	02	02	
General Administration Division	-	03	01	
Examination Division	-	03	07	
Procurement Division	-	01	03	
Senior Assistant Internal Auditor	-	01	01	
Financial Division	-	01 (02***)	07	
Library	-	01	07	
Medical Centre	-	01	01	
Projects	-	-	03	
<b>Total</b>	-	<b>28</b>	<b>54</b>	

\* The University did not appoint any minor employees. The services of minor employees were obtained from service providers.

\*\* Technical Officers (2)

\*\*\* Shroff and Store Keeper (2)

## 8. Research, Innovations & Publications

University's Research, Innovations & Publications during the year 2014.

<b>Subject</b>	<b>Published</b>	<b>Commercialized</b>	<b>Presented</b>
No. of Research Studies	105	-	59
No. of Innovations/ Product Development	14	-	05
No. of Journal Articles	34	-	-
No. of Books/ Book Chapters	09	-	01
No. of Abstracts	99	-	37
Posters	20	-	21
<b>Total</b>	<b>281</b>	<b>-</b>	<b>123</b>

## 9. Programmes, Seminars & Workshops

<b>Subject</b>	<b>Attended / Offered</b>	<b>Completed</b>	<b>Presented</b>
No. of Degree Programmes	42	13	-
No. of Certificate Programmes	09	11	01
No. of Community Service Delivery Programmes	35	28	23
Staff Development Seminars & Workshops	50	14	03
<b>Total</b>	<b>136</b>	<b>66</b>	<b>27</b>

## 10. Details of Awards Received

<b>Subject</b>	<b>No. of Awards</b>	<b>No. of Academics</b>	<b>No. of Students</b>
Local Awards	05	-	-
International Awards	07	-	-
<b>Total</b>	<b>12</b>	<b>-</b>	<b>-</b>

## 11. Details of Recurrent Expenditure

Rs.

Subject	2014	2013
a. Personal Emoluments	159,510,038	121,219,347
b. Travelling	1,484,599	1,957,928
c. Supplies	9,223,701	9,467,163
d. Maintenance	2,962,331	1,817,403
e. Contractual Services	119,325,799	112,870,761
f. Other	18,602,963	17,578,202
<b>Total</b>	<b>311,109,431</b>	<b>264,910,804</b>

## 12. Details of Capital Expenditure

Rs.

Subject	2014	2013
a. Land Acquisition	5,350,000	-
b. Acquisition of Furniture and Other Equipment	12,773,206	73,806,688
c. Acquisition of Machineries	20,281,326	2,447,744
d. Acquisition of Buildings & Structures	116,769,530	184,604,627
e. Other	3,062,770	2,978,366
<b>Total</b>	<b>158,236,832</b>	<b>263,837,425</b>

## 13. Details of Project (Local / Foreign Funded)

Rs.Mn.

Name & Details	Loan / Grant	Funding Agency #	TCE	RFA	DF
Establishment of Uva Wellassa University Project Phase 1 and 2	-	-	3,420.00	-	✓
<b>Total</b>	-	-	<b>3,420.00</b>	-	-

#### 14. Details of Project Expenditure (Local/ Foreign Funded)

Rs. Mn

Name	TCE	Exp. in 2014	Exp. in 2013	Cumulative expenditure as at 31.12.2014	% of Physical Progress
Establishment Uva Wellassa University Project, Phase 1 & 2	3,420.00	184.60	70.80	1,900.50	63%
<b>Total</b>	<b>3,420.00</b>	<b>184.60</b>	<b>70.80</b>	<b>1,900.50</b>	<b>63%</b>

#### 15. Details of Financial Progress (Expenditure)

Rs.

Subject	Provision in 2014	Exp. in 2014	Savings/(Excess )
a. Recurrent except project	376,000,000	311,109,431	64,890,569
b. Capital except project	146,500,000	87,434,919	59,065,081
c. Project – Local funded	83,500,000	70,801,913	12,698,087
d. Project – Foreign funded	-	-	-
<b>Total</b>	<b>606,000,000</b>	<b>469,346,263</b>	<b>136,653,737</b>

#### 16. Details of Financial Progress (Generated Income)

Rs.

Source of Revenue	Provisions in 2014	Collection in 2014	Deficit/Surplus
a. Undergraduate Studies (Hostel & Registration fees, ect.)	14,550,000	11,809,344	3,190,656
b. Postgraduate Studies	-	-	-
c. Consultancy (Training, Examination & Others)	450,000	343,400	343,400
d. Other	-	-	-
<b>Total</b>	<b>15,000,000</b>	<b>12,152,744</b>	<b>3,534,056</b>

## 17. Financial Performance Analysis 2014

Rs.

Subject	Formula	Exp. per Student
a. Recurrent Expenditure per Student (RE)	RE / No of Student Strength	240,948
b. Capital Expenditure per Student (CE)	CE / No of Student Strength	83,282
<b>Total</b>		<b>324,230</b>

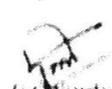
## 18. Details of Infrastructure Facilities Received in 2014

Infrastructure Details	Expenditure (Rs.)	Physical Progress
Lab Complex Block – E (Network)	627,849	100%
Sport Centre	16,847,858	10%
Landscaping & Roads Works DEF Area	4,285,875	100%
Landscaping & Roads Works Cafeteria and Toilets	3,294,557	100%
Works Cafeteria and Toilets	5,390,000	100%
Senate Bulding	23,504,043	65%
University Guest House	6,947,806	100%
Maintenanance of Stores Building	8,331,970	85%

## 19. Statement of Financial Position as at December 31, 2014

### Statement of Financial Position For the year ended December 31, 2014

	Note	2014 Rs.	2013 Rs.
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	01	8,526,006	1,335,207
Investment	02	12,554,808	2,633,737
Receivables	03	10,464,501	11,900,961
Inventories	04	3,162,310	5,431,453
Advances	05	113,744	198,262
		<b>34,821,369</b>	<b>21,499,620</b>
Non Current Assets			
Receivables	06	6,417,887	5,602,480
Property, Plant and Equipment	07	1,508,243,648	1,290,305,122
Work in Progress	08	167,994,886	365,641,418
Land Acquisition	09	58,366,399	53,016,399
Quality Improvement Projects	10	2,476,396	1,206,090
		1,743,499,217	1,715,771,510
<b>Total Assets</b>		<b>1,778,320,586</b>	<b>1,737,271,130</b>
<b>LIABILITIES</b>			
Current Liabilities			
Accrued Expenses	11	16,613,210	39,129,463
Sundry Creditors and Other	12	87,920,015	111,221,850
		<b>104,533,225</b>	<b>150,351,313</b>
Non Current Liabilities			
Deferred Income	13	159,021,600	133,457,306
Provisions for Gratuity	14	7,722,914	6,813,256
		<b>166,744,514</b>	<b>140,270,562</b>
<b>Total Liabilities</b>		<b>271,277,739</b>	<b>290,621,875</b>
<b>Net Assets</b>		<b>1,507,042,847</b>	<b>1,446,649,255</b>
<b>NET ASSETS/EQUITY</b>			
Accumulated Fund	15	1,940,711,050	1,831,042,417
General Reserve	16	(452,282,559)	(394,580,896)
Special Reserve	17	1,897,846	1,830,484
Special Funds	18	16,716,509	8,357,250
<b>Total Net Assets/Equity</b>		<b>1,507,042,847</b>	<b>1,446,649,255</b>

  
D. G. Chandrasena  
Vice-Chancellor

  
A.G. Karumarathna  
Registrar

  
K. Gamini Byanage  
Bursar (Actg.)

## 20. Statement of Financial Performance for the Year Ended December 31, 2014

### Statement of Financial Performance For the year ended December 31, 2014

	Note	2014 Rs.	2013 Rs.
<b>Revenue</b>			
Recurrent Grant	19	326,702,000	203,000,000
Bursary and Mahapola Grants	20	15,368,900	21,108,150
Self Finance Programme Income	21	343,400	553,000
Other Income	22	11,809,374	13,191,742
Capital Grants Amortized	23	43,767,073	40,788,873
<b>Total Revenue</b>		<b>397,990,747</b>	<b>278,641,765</b>
<b>Expenses</b>			
Personnel emoluments	24	159,510,038	121,219,347
Travelling Expenses	25	1,484,599	1,957,928
Supplies	26	9,223,701	9,467,163
Maintenance	27	2,962,331	1,817,403
Contractual Expenditure	28	119,325,799	112,870,761
Other Recurrent Expenses	29	18,602,962	17,578,202
Self Finance Programme Expenses	30	-	418,496
Bursary and Mahapola Payments	31	15,368,900	21,108,150
Depreciation	32	131,324,532	115,616,976
<b>Total Expenses</b>		<b>457,802,863</b>	<b>402,054,426</b>
<b>Surplus / (Deficit) for the period</b>		<b>(59,812,116)</b>	<b>(123,412,661)</b>

## 21. Cash Flow Statement for the Year Ended December 31, 2014

### Cash Flow Statement For the year ended December 31, 2014

	2014 Rs.	2013 Rs.
Cash flows from operating activities		
Deficit / Surplus from ordinary activities	(59,812,116)	(123,412,661)
Non - Cash Movements		
Capital Grants Amortized	(43,767,073)	(40,788,873)
Depreciation	131,324,532	115,616,976
Provisions and Other	2,923,544	2,294,002
Operating Profit Before Changes in W/C	30,668,887	(46,290,557)
(Increase)/Decrease in Investments	(9,921,070)	
(Increase)/Decrease in Receivables(CA)	1,436,459	4,710,833
(Increase)/Decrease in Receivables(NCA)	(815,407)	(920,023)
(Increase)/Decrease in Inventories	2,269,143	(2,572,671)
(Increase)/Decrease in Advance	84,518	(102,263)
Increase/(Decrease) in Accrued expenses	(22,352,323)	31,289,875
Increase/(Decrease) in Sundry creditors	(23,301,835)	11,312,047
Net cash flows from operating activities	(21,931,628)	(2,572,758)
Cash flows from investing activities		
Acquisition of Fixed Assets	(158,236,832)	(264,756,547)
Net cash flows from investing activities	(158,236,832)	(264,756,547)
Cash flows from financing activities		
Accumulated Fund	109,668,633	187,350,674
Differed Income	69,331,367	66,649,326
Other Funds	8,359,260	5,235,103
Net cash flow from financing activities	187,359,260	259,235,103
Net increase/(decrease) in cash and cash equivalents	7,190,799	(8,094,203)
Cash and cash equivalents at beginning of period	1,335,207	9,429,410
Cash and cash equivalents at end of period	8,526,006	1,335,207

**Note - Bank Balances as at 31/12/2014**

Bank	Account No	Amount(Rs.)
BOC	- 3114828	4,307,897
BOC	- 3114820	2,819,475
People's Bank	- 10100168384805	1,398,635
<b>Total</b>		<b>8,526,006</b>

## 22. Report of the Auditor General

Vice Chancellor  
Uva Wellassa University

**Report of the Auditor General on the Financial Statements of the Uva Wellassa University of Sri Lanka for the Year Ended 31 December 2014 in Terms of Section 108(1) of the Universities Act No. 16 of 1978**

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I am sending herewith the above-mentioned Report.

W.P.C. Wickramarathna  
Auditor General (Acting)

Copies:

01. Secretary to the Ministry University Education and Highways
02. Secretary to the Ministry of Finance
03. Chairman of the University Grants Commission

Vice Chancellor  
Uva Wellassa University

**Report of the Auditor General on the Financial Statements of the Uva Wellassa University of Sri Lanka for the Year Ended 31 December 2014 in Terms of Section 108(1) of the Universities Act No. 16 of 1978**

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The Financial Statements of the Uva Wellassa University of Sri Lanka for the year ended 31 December 2014 which consist of the Statement of Financial Position for the year ended 31 December 2014 and the Statement of Financial Performance, the Statement of Changes in Equity and the Statement of Cash Flow for year which then ended together with a summary of important accounting policies and other explanation were audited under my direction in terms of the provisions of Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read with Subsection 107(5) of the Universities Act No. 16 of 1978. My comments and observations, which I deem necessary to publish with the Annual Report of the University in terms of Subsection 108(2) of the Universities Act are contained in this report. A detailed report in terms of Subsection 108(2) of the Universities Act was issued to the Vice Chancellor of the University on 13 May 2015.

**1.2 Responsibility of the Management in respect of Financial Statements**

It is the responsibility of the management to prepare these Financial Statements in accordance with Sri Lanka Public Sector Accounting Policies and to determine the internal control necessary to enable the preparation of Financial Statements devoid of quantitatively false statements that could be caused due to frauds or mistakes.

**1.3 Responsibility of the Auditor**

It is my responsibility to express a view regarding these Financial Statements based on my audit. I carried out the audit in accordance with the Sri Lanka Auditing Standards, which are consistent with the international auditing standards of the prestigious auditing institutions (ISSAI 1000-1810). These Standards seek to ensure that I conform to the requirements of ethics and my audit is planned and implemented to obtain a fair assurance whether the Financial Statements are free of quantitative false statements.

Auditing involves the implementation of procedures in order to obtain audit evidence that support the values and revelations stated in the Financial Statements. The assessment of risks of quantitative false statements that could occur in the Financial Statements due to the selected procedures, frauds or mistakes depend on the judgement of the auditor. Although the auditor took into account the internal control pertaining to the preparation and fair representation of the Financial Statements of the University in planning the appropriate audit procedures in an opportune manner, he does not intend to state an opinion on the effectiveness of the internal control of the University.

The audit includes the evaluation of the appropriateness of the accounting policies followed by the management and the fairness of the accounting estimates utilized as well as evaluation of the overall presentation of the Financial Statements. The Auditor General is vested with discretionary powers by Subsections (3) and (4) of Section 13 of the Finance Act No. 38 of 1971 to decide on the scope and extent of the audit.

It is my belief that the audit evidence obtained by me for providing a basis for my audit opinion is adequate and appropriate.

#### **1.4 Basis for the Qualified Opinion**

My opinion is qualified based on the facts given in paragraph 2.2 of this report.

### **02 Financial Statements**

#### **2.1 Qualified Opinion**

The opinion I hold is that the Financial Statements of the Uva Wellassa University of Sri Lanka reflect a true and fair position regarding its financial position as at 31 December 2014, the financial operation for the year then ending and the cash flows in accordance with the Sri Lanka Public Sector Accounting Standards.

#### **2.2 Comments on the Financial Statements**

##### **2.2.1 Sri Lanka Public Sector Accounting Standards**

The instances where Standards had not been complied with were observed as follows:

##### **(a) Sri Lanka Public Sector Accounting Standard 02**

- (i) A sum of Rs. 187,359,260.00 received for the acquisition of assets, which should have been accounted under investment activities in the Cash Flow Statement, had been accounted instead under Financial Activities.
- (ii) Cash flow of Rs. 158,236,832.00 pertaining to purchasing of fixed assets shown under investment activities according to the Cash Flow Statement of the year under review had been accounted on accrual basis.

##### **(b) Sri Lanka Public Sector Accounting Standard 09**

Although 293 unusable student handbooks costing Rs. 116,895.00 printed in the year 2009 had been included in the stationery stock at the end of the year under review, the accounting policy pertaining to its valuation had not been revealed.

##### **2.2.2 Accounting Deficiencies**

The following observations are made.

- (a) Although the University had prepared accounts on accrual basis, provisions necessary for payable expenditures amounting to Rs. 2,925,867.00 and for receivable incomes amounting to Rs. 266,104.00 had not been made.
- (b) An overprovision of Rs. 345,000 had been made for expenditure on external courses payable in the previous year and an expenditure of Rs. 181,070.00 pertaining to the year under review had been written off from the overprovision. As such, expenditure in the year under review has not been revealed.

- (c) Capital goods totalling Rs. 305,023.00 purchased from recurrent objects had not been accounted under Properties, Plant and Equipment in the Statement of Financial Position as at 31 December 2014 in the year under review.

### **2.2.3 Unreconciled Control Accounts**

Differences of Rs. 660,671.00 and Rs. 765,100.00 were observed in Mahapola and bursaries respectively when the Financial Statements presented in the year under review were compared with the schedules. In addition, it was also observed that Rs. 170,321.00 of unidentified bursaries receivable which were brought forward from the previous year.

### **2.2.4 Lack of Evidence for Audit**

Evidence shown against the following 04 accounting items shown in the Financial Statements, the total of which is worth Rs. 4,408,295.00, had not been presented for the audit.

<u>Accounting Object</u>	<u>Value (Rs.)</u>	<u>Evidence not Presented</u>
(i) Reimbursable Deposits	1,997,840	i. Time Analysis ii. Individual Balances List iii. Deposit Registers
(ii) Reimbursable Security Deposits	647,953	
(iii) General Deposits - Recurrent	1,524,607	
(iv) General Deposits - Capital	237,895	
<b>Total</b>	<b>4,408,295</b>	

### **2.3 Account Receivable and Payable**

The following observations are made:

- (a) Research allowances of Rs. 93,546.00 paid to a Professor of the University of Peradeniya on reimbursement basis for the period from January to June 2011 had not been recovered.
- (b) In the distress loan amount of Rs. 7,179,806.00 as at 31 December in the year under review, recovery of balances of distress loans amounting to Rs. 165,183.00 given to two officers had been suspended.
- (c) In the festival advance loan balance of Rs. 96,000.00 as at 31 December of the year under review, recovery of balances of festival advance loans given to three officers in the month of April in the years 2010, 2011 and 2013 had been suspended.
- (d) Adequate measures had not been to settle a sum of Rs. 61,989,351.00 which should have been paid to the Central Engineering Consultancy Bureau for construction work of the University carried out in the 2005-2016 period.

### **2.4 Non Compliance with Law, Rules and Management Decisions**

The following non-compliances were observed during the audit:

<u>Reference to the Laws, Rules etc.</u>	<u>Non-Compliance</u>
(a) Universities Act No. 16 of 1978	

- (i) Section 37 (1) Although a Registrar of a University should be appointed by the governing council on the recommendations of a Selection Committee of defined composition, a retired Registrar had been appointed on assignment basis by the Vice Chancellor subject to approval of the governing council.
- (ii) Section 108 (3) (2) Although the measures already taken or proposed to be taken with regard to the matters pointed out by the Report of the Auditor General have to be intimated to the Auditor General within three months from the date on which the said Report was sent, action had not been taken in that manner with regard to the Auditor General's Report for the year 2013.
- (b) Section 14 (1) of the Finance Act No. 38 of 1971 A copy of the draft Annual Report for the year under review had not been submitted to the Auditor General.
- (c) Employees' Trust Fund Act No. 46 of 1980 and Section 10 of the Employees' Provident Fund Act No. 15 of 1958 as amended by the Employees' Provident Fund (Amendment) Act No. 01 of 1985. Action had not been taken according to the provisions of the Funds concerned to transfer to the Funds the contributions for 28 trainees who have been performing duties in clerical and parallel grades for over two years.
- (d) Treasury Circular No. 842 dated 19 December 1978 A Fixed Assets Register had not been maintained for properties, plant and equipment worth Rs. 2,100,000,044.00 as at 31 December of the year under review.
- (e) Sections 7.1 and 7.2 of the Public Enterprise Circular No. PED/12 dated 03 June 2003 Operational Manuals had not been prepared to cover the major operational areas of the University.
- (f) Section 03 of the Stamp Fees (Special Provisions) Act No. 12 of 2006 as amended by Gazette Extraordinary No. 1530/13 dated 01 January 2008 Although a stamp fee of Rs. 25.00 has to be levied on payments of which payment value exceeds Rs. 25,000.00, directions have not been complied with on 16 occasions pertaining to payments totalling Rs. 1,019,661.00 according to the sample test.
- (g) Public Finance Circular No. 449 dated 21 February 2011 Although the appointments on assignment basis should not exceed 45 days and the maximum amount that could be paid is Rs. 30,000.00, prior approval had not been obtained from the Department of Public Finance for Rs. 718,539.00 paid exceeding the limits imposed by the Circulars to 03 retired officers on assignment basis contravening the said Circular.
- (h) Paragraph 01 of Chapter XXIV of the Establishments Code in respect of University Education Institutions Stores Surveys had not been conducted in addition to the annual surveys at specified intervals for the year under review.

and the University Grants Commission and the Financial Regulations

- (i) Paragraph 5 (iii) of the University Grants Commission Circular No. 920 dated 05 February 2010 Bonds pertaining to 26 University teachers had not been revised when the salary conversions had been effected.
- (j) The University Grants Commission Chairman's Establishment Circular No. 12/2013 dated 29 August 2013 Action had not been taken according to the provisions of Circulars to recover rent from officers residing in senior officers quarters and in bachelors' condos.
- (k) Paragraph 7.6 of Chapter v of the Establishments Code pertaining to the University Grants Commission and higher education institutes. A sum of Rs. 8,220,772.00 was due to be received from two University teachers with regard to the breach of bonds and contracts.

### **03. Financial Review**

#### **3.1 Financial Outcomes**

According to the Financial Statements presented, the financial outcome of the Uva Wellassa University for the year ended 31 December 2014 showed a deficit of Rs. 59,812,116.00 as against the previous year's deficit of Rs. 123,412,661.00. compared to the previous year's outcome, the financial outcome of the year under review has shown an enhancement of Rs. 63,600,545.00.

### **04. Operational Review**

#### **4.1 Performance**

The following observations are made.

- (a) The cost borne for the study activities of 1,900 students during the year under review was Rs. 457,802,863.00 and the cost per student was Rs. 240,949.00. Compared to it, the cost for studies of 1,423 students in the preceding year had been Rs. 401,635,931 while the per-capita cost had been Rs. 282,246.00. Accordingly, the student unit cost had dropped by Rs. 41,297.00 in the year under review compared to the preceding year.
- (b) Compared to the average lecturer to student ratio of 1:17 in Universities of the island in the year under review, the ratio between the lecturers and students in the University was 1:16.
- (c) Although 605 students had been planned to be enrolled according to the Combined Plan, only 507 students were enrolled in the year under review. Accordingly, a reduction of 98 students out of the expected number, equivalent to 16%, has been indicated
- (d) Compared to the year 2013, the income generated from conducting self income-generating courses in the year under review had gone down by 37%.

#### **4.2 Management Inefficiencies**

Action had not been taken to legally acquire to the University the 30.9667-hectare land that has been assigned to the Uva Wellassa University according to the decision to transfer to the Ministry of Education the said land owned by the Ministry of Industry, which was made by the Cabinet of

Ministers at its meeting held on 10 February 2008 for the purpose of establishing the Uva Wellassa University under Cabinet Paper No. 05/0183/035/001.

#### **4.3 Utilization of Funds**

The following observations are made:

- (a) Rs. 71,763,168.00 had been left unutilized out of the allocation of Rs. 230,000,000.00 provided for capital expenditure from the amended Budget Estimate of the year under review. Its 31% of the overall allocation.
- (b) The whole of the provision of Rs. 7,000,000.00 allocated for the capital objects of information technology development, student-centred learning, entrepreneurship skills development, Business Counselling Unit and innovative goods had been left unutilized.
- (c) It was only Rs. 554,266.00 that had been utilized out of the total capital budget provision of Rs. 25,000,000.00 allocated for encouraging research. As such, a sum of Rs. 24,445,734.00 had been left unutilized, which was 98% of the total provision.
- (d) Although Rs. 3,323,000.00 provided by the District Secretary, Badulla for the Tissue Culture Project had been credited to the Capital Account, the Project had not been implemented even by 31 March 2015.

#### **4.4 Uneconomical Transactions**

Although a sum of one million rupees out of the income earned from external courses every month of the year under review remained in the current account, action had not been taken to invest it and earn an interest income.

#### **4.5 Dormant Assets and Under-Utilized Assets**

The following observations are made:

- (a) Five fire protection safes worth Rs. 322,560/- that had been purchased on 30 June 2010 had been lying idle without being put to use even as at 31 December of the year under review.
- (b) The 3-Axis CNC machine worth Rs. 14,060,480/- purchased for the Engineering Workshop in the year 2012 had been lying idle without being put to use even as at 31 December of the year under review.
- (c) Even though fixed assets worth Rs. 1,117,933.00 had been granted to the External Courses Division through the HETC Project, it was noticed that these assets had not been put to fruitful use to achieve the objectives of the External Courses Division.
- (d) The accounting computer software worth Rs. 222,768.00 purchased in 2013 to facilitate the administrative activities at the Finance Division of the University was noticed being used for only writing out cheques.

#### **4.6 Visible Irregularities**

The University had acted in contravention of Guidelines 2.8.5, 5.2.1 (a), 6.3.3 and 6.3.3.1 (a) of the Procurement Guidelines in selecting the supplier for photographing and video-filming the

Convocation held in the year under review and violated the objectives stated in its Guideline 1.21 and the ethics stated in Guideline 1.4. At the same time, although it is mentioned that a 10" x 12" photograph was Rs. 100.00 according to the prices quoted by the selected supplier, it was confirmed in the audit that a photograph had been sold to graduands at prices as high as Rs. 336.00. As such, the University had aided and abetted in an undue earning of Rs. 104,784.00. In addition, although the ownership and copyright is vested in the University, action had not been taken to gain any proceeds to the University Fund.

#### **4.7 Shortcomings in Contract Administration**

The following observations are made:

- (a) Although the Garment Factory Building had been renovated spending Rs. 41,247,644.00 in 2008, rainwater seeped through the roof resulting in damage to the ceiling and action had not been taken to rehabilitate the roof of the building during the January-April period of the year under review.
- (b) Although there had been the possibility to correct the bills of quantities after preparing construction project plans, there had continuously been variations of 50% to 300% between the bills of quantities prepared by the Central Engineering Consultancy Bureau and the real values in performing the tasks.
- (c) Minimizing the exceeding of estimated cost has been problematic due to not taking action to commence the 12 construction projects which should have been commenced in the year 2010 and completed in 2013.

#### **4.8 Staff Administration**

The following observations are made:

- (a) Action had not been taken to recruit for the 70 vacant positions of the 213 positions in the approved Academic Staff of the University as at 31 December of the year under review.
- (b) The post of Librarian, who should be appointed in terms of Section 33 of Part IV of the Universities Act No. 16 of 1978, had remained vacant from the year 2006 to the year under review.
- (c) The post of Registrar has remained vacant since 12 March 2014 and the University had failed to fill the vacancy in terms of Section 37 (1) of the Universities Act No. 16 of 1978.
- (d) The University had failed to recruit for the 70 vacant positions of the 113 positions in the approved Non-Academic Staff of the University as at 31 December of the year under review.
- (e) Although the University has 32 laboratories, the University has failed to fill 10 out of the 12 posts in the approved Technical Staff in the year under review.
- (f) Action had been taken to recruit for the post of Senior Assistant Registrar as per the appointment letter bearing reference UGC/HR/1/2/452 dated 05 September 2008 contrary to the minimum qualifications required by University Grants Commission Circular 794 dated 08 January 2002.
- (g) Five Lecturers belonging to the Academic Staff had not completed the Staff Development Training Course which includes learning/ teaching techniques that should be completed within

one year from the date of appointment for confirmation according to their letter of appointment.

- (h) The appointments of four Lecturers became null and void because the Registrar of the University functioned as a member of the Panel at the Interview conducted for appointing Lecturers to the Academic Staff in terms of the provisions of University Grants Commission Circular No. 166 dated 06 April 1982.
- (i) Although a post of Book Keeper had not been approved in the cadre of the University, service of two persons had been obtained for the post of Book Keeper from the private firm which provides services to the University at present as per the Procurement Committee decision No. 638/2014 dated 24 July 2014.

#### **4.9 Utilization of Vehicles**

There had been a condition to pay for the number of kilometres by which a vehicle falls short of the minimum number of kilometres that should be run monthly according to the agreement reached for vehicles. As such, a sum of Rs. 914,878.00 had been paid for 29,897 unused kilometres.

### **05. Accountability**

#### **5.1 Presentation of Financial Statements**

Although Financial Statements for the year ended 31 December 2014 should have been submitted to the Auditor General within 60 days from the end of the financial year according to the Public Finance Circular No. PF/PE dated 24 May 2002, the Financial Statements for the year under review had been submitted for audit only on 31 March 2015.

#### **5.1 Combined Plan**

The following observations are made:

- (a) 21 Projects that should have been implemented during the year under review out of those stated in the Combined Plan for the period 2014-2018.
- (b) The Combined Plan did not contain a review of operational outcomes for the previous three years as per Paragraph 5.1.2 of the Public Enterprise Circular PED/12 dated 02 June 2003, and the Combined Plan had not been presented so that progress could be evaluated as it did not indicate the monetary values of the targets that should be achieved.

#### **5.3 Action Plan**

The following observations are made:

- (a) At the inspection that was carried out in respect of the Action Plan for the year under review, it was found that the Plan did not contain the updated organizational structure of the

University, details of the approved cadre and the currently existing staff and the internal audit plan as required by Paragraph 04 of the Public Finance Circular No. 01/2014 dated 17 February 2014.

- (b) Performance Reports had not been prepared for measuring the physical progress of the Combined Plan and the Action Plan.
- (c) Although a Strategic Management and Development Committee had been established to measure the physical progress of the Combined Plan and the Action Plan and to make decisions pertaining to it, this Committee had not met every month to carry out a Programmes Review.

#### **5.4 Audit and Management Committees**

The following observations are made:

- (a) Although four meetings of the Audit and Management Committee should have been held as required by Paragraph 15 of the Public Enterprise Circular No. 55 dated 14 December 2010, only 02 Committee meetings were held during the year under review.
- (b) A delay was observed in implementing the decisions made at the 32<sup>nd</sup> Audit Committee with regard to operating the computerized accounting system that has already been purchased in an up-to-date manner, issuing letters to assign duties to all officers of the Non-Academic Staff, maintaining the audit queries register and replying to audit queries.

#### **5.5 Procurement Plan**

Although the University possesses a web page and sufficient information technology facilities, action had not been taken to carry out procurement activities electronically as per Guideline 9.8 of the Procurement Guidelines.

#### **5.6 Budgetary Control**

The following observations are made:

- (a) It was noticed that the Budget had not been used as an effective management control as it was observed that the five capital expenditure objects showed variations from 13% to 61% while the seven capital expenditure objects showed variations of 15% to 91% when estimated expenditures were compared with the actual expenditures.
- (b) Rs. 2,782,153.00 and Rs. 94,500.00 had been spent for the Staff Development Institute and for purchasing the Degree Cloaks respectively from the Budget Estimate of the year under review without obtaining approval for using capital provision.

#### **5.7 Unresolved Audit Paragraphs**

The University has failed till now to restore the waste water recycling project as per the instructions given by the Committee on Public Enterprises at its Meeting held on 21 September 2012.

### **06. Systems and Controls**

The deficiencies in systems and controls noticed during the audit were brought to the attention of the Vice Chancellor from time to time. Special focus should be given to the following aspects of controls:

- (a) Asset management
- (b) Stores administration
- (c) Financial management and expense control
- (d) Human resources management
- (e) Utilization of vehicles

W.P.C. Wickramarathna  
Auditor General (Acting)

## 23. Answers to the Report of the Auditor General

### 2.2 Comments on the Financial Statements

#### 2.2.1 Sri Lanka Public Sector Accounting Standards

<b>(i)</b> A sum of Rs. 187,359,260.00 received for the acquisition of assets, which should have been accounted under Investment Activities in the Cash Flow Statement, has been accounted under Financial Activities.	This amount has been included under the Financing Activities in the Cash Flow Statement as monies received under Treasury Capital Grants are entered in the University Accumulated Fund and shown accounted under Long-Term Incomes.
<b>(ii)</b> Cash flows amounting to Rs. 158,236,832 pertaining to purchasing of fixed assets shown under investment activity according to the Cash Flow Statement for the year under review has been accounted on accrual basis.	Inflows and outflows of cash have been correctly shown according to the Cash Flow Statement presentation model.
<b>(b)</b> Although the stock of stationery as at the end of the year under review included 293 unusable student handbooks printed in 2009 which cost Rs. 116,895.00 the accounting policy underlying valuation of such stock has not been revealed.	Stock valuation percentage has been revealed under 2.1 in Paragraph 08 on page 08 of the Financial Report and the stock concerned has been valued upon cost.

#### 2.2.2 Accounting Deficiencies

<b>(a)</b> Although the University had prepared accounts on accrual basis, provisions had not been made for expenses payable amounting to Rs. 2,925,867.00 and incomes receivable amounting to Rs. 266,104.00.	All identified expenses for which payments have not been made as at 31.12.2014 pertaining to the year under review have been accounted as accrued expenses and all identified incomes as incomes receivable.
<b>(b)</b> Over-provision had been made for expenses payable for external courses in the previous year and the expenditure of Rs. 181,070.00 pertaining to the year under review had been written off from the over-provision. Accordingly, no revelation has been made in respect of the expenditure in the year under review.	I agree. I will take steps to reveal and correct it.
<b>(c)</b> Capital goods totalling Rs. 305,023.00 purchased out of the recurrent objects had not been accounted under Property, Plant and Machinery in the Statement of Financial Situation as at 31 <sup>st</sup> December in the year under review.	I will take steps to account capital goods under Property, Plant and Machinery

### 2.2.3 Unreconciled Control Accounts

<p>When comparing the Financial Statements presented in the year under review and the relevant schedules, differences amounting to Rs. 660,671.00 Rs. 765,100.00 were observed in receivable Bursaries and receivable Mahapola Allowances respectively. It was further observed that unidentified receivable bursaries amounting to Rs. 170,321.00 which have been brought forward from the previous year were also included.</p>	<p>I will take steps to compare these differences with the relevant schedules and rectify.</p>
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### 2.2.4 Lack of Evidence for Audit

<p>Audit had not been provided with evidence given against each of the following four accounting objects appearing in the Financial Statements which totals Rs. 4,408,295.00.</p>	<p>I will take steps to present Time Analyses, Lists of Individual Balances and Deposit Registers.</p>														
<table border="1"> <thead> <tr> <th data-bbox="124 987 352 1070">Accounting Subject</th> <th data-bbox="359 987 555 1070">Value</th> <th data-bbox="561 987 836 1070">Evidence not Submitted</th> </tr> </thead> <tbody> <tr> <td data-bbox="124 1079 352 1167">i. Refundable Deposits</td> <td data-bbox="359 1079 555 1167">1,997,840</td> <td data-bbox="561 1079 836 1641" rowspan="5">                     i. Time Analyses                      ii. List of Individual Balances                      iii. Deposit Registers                 </td> </tr> <tr> <td data-bbox="124 1176 352 1283">ii. Refundable security Deposits</td> <td data-bbox="359 1176 555 1283">647,953</td> </tr> <tr> <td data-bbox="124 1292 352 1491">iii. General Deposits - Recurrent</td> <td data-bbox="359 1292 555 1491">1,524,607</td> </tr> <tr> <td data-bbox="124 1500 352 1608">General Deposits - Capital</td> <td data-bbox="359 1500 555 1608">237,895</td> </tr> <tr> <td data-bbox="124 1617 352 1641">Total</td> <td data-bbox="359 1617 555 1641">4,408,295</td> </tr> </tbody> </table>		Accounting Subject	Value	Evidence not Submitted	i. Refundable Deposits	1,997,840	i. Time Analyses ii. List of Individual Balances iii. Deposit Registers	ii. Refundable security Deposits	647,953	iii. General Deposits - Recurrent	1,524,607	General Deposits - Capital	237,895	Total	4,408,295
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General Deposits - Capital	237,895														
Total	4,408,295														

### 2.3 Accounts Receivable and Payable

The following observations are made.

<p>(a) Research allowances amounting to Rs. 93,546.00 that had been paid to a Professor of the University of Peradeniya on reimbursement basis for the period from January to July in 2011 has not been recovered.</p>	<p>Reminders have been sent to the University of Peradeniya on the following dates in order to recover the amount concerned:-                      I will take action to have it reimbursed.</p> <ol style="list-style-type: none"> <li>1. 05 December 2013</li> <li>2. 08 August 2014</li> <li>3. 11 May 2015</li> </ol>
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<b>(b)</b> Recovery of balances of distress loan amounting to Rs. 165,183.00 paid to two officers in 2007 and 2008 contained in the distress loan Balance of Rs. 7,179,806.00 as at 31 <sup>st</sup> December of the year under review had stopped.	The sum of Rs. 1,682.69 due from Dr. Sivagurunathan has been duly settled while the University Grants Commission has been informed to recover the amount receivable from Late Mrs. S.C. Weerasuriya.
<b>(c)</b> Recovery of balances of festival advances of Rs. 10,000.00 paid to three officers in the month of April in the years 2010, 2011 and 2013 contained in the balance of the festival advances amounting to Rs. 96,000.00 as at 31 <sup>st</sup> December of the year under review had stopped.	Steps have already been taken to clear these.
<b>(d)</b> Adequate measures had not been taken to settle the sum of Rs. 61,989,351.00 payable to the Central Engineering Consultancy Bureau for the construction work carried out in the University during the period from 2006 to 2015.	The deposit retained in respect of the sub projects under which construction work pertaining to Phase II of the Uva Wellassa University Establishment Project is shown here and once the conditions pertaining to the release of the retained money are fulfilled, I will take steps to release them.

## 2.4 Non Compliance with Laws, Rules, Regulations and Management Decisions

The following non-compliances were observed during the audit.

Reference to Laws, Regulations etc.	Non-Compliance
<b>(a) Universities Act No. 16 of 1978</b>	
(i) Section 37. (1)	Although the Registrar of a University should be appointed by the Governing Council through a Committee of a specified composition, the Vice Chancellor had appointed a retired Registrar on assignment basis subject to the covering approval of the Council.
(ii) Section 108.(3)(2)	Although the Auditor General should be informed of the measures taken or proposed in respect of the matters raised in the Report of the Auditor General within three months from the date on which the Report has been sent, it has not been followed in respect of the Report of the Auditor General for the year 2013.
	As the posts of Registrar, Deputy Registrar and two Assistant Registrars had remained vacant, an experienced officer who had served as a Senior Administrative Officer in several State Universities has been appointed on assignment basis with a view to conducting the administrative functions of the University properly until a permanent Registrar is appointed. I further inform that arrangements are being made to appoint a permanent Registrar.
	I will take prompt action to provide the Auditor General with a report on the proposed steps pertaining to the matters raised in the Report of the Auditor General.

(b) Section 14 (1) of the Finance Act No. 38 of 1971	A copy for the draft Annual Report for the year under review had not been presented to the Auditor General.	Draft Annual Report have been prepared and I will take steps to present it to the Auditor General.
(c) Section 10 of the Employees' Provident Fund Act No. 15 of 1958 as amended by Employees' Provident Fund Amendment Act No. 01 of 1985 and Employees' Provident Fund Act No. 46 of 1980	Action has not been taken to remit contributions in respect of 28 trainees who perform duties in clerical and parallel grades for over two years as required by the provisions.	Opportunity has been given for training as per the provisions of the Circulars approved by the government and the Commissioner of Labour in Badulla has been informed to give advice as per legislations with regard to payment of contributions.
(d) Treasury Circular No. 842 dated 19 December 1978	A Fixed Assets Register has not been maintained for properties, plant and machinery worth Rs. 2,100,000,044.00 as at 31 <sup>st</sup> December of the year under review.	I wish to inform that Fixed Assets Registers are being maintained.
(e) Clauses 7.1 and 7.2 of Public Enterprises Circular No. PED/12 dated 03 June 2003	Operations manuals had not been prepared to cover the main operational areas of the University.	I will make the necessary arrangements to prepare the manuals covering the main operational areas soon.
(f) Section 03 of the Stamp Fees (Special Provisions) Act No. 12 of 2006 as amended by Gazette Extraordinary No. 1530/13 dated 01 January 2008.	Although a stamp fee of Rs. 25.00 should be charged in respect of every payment in excess of Rs. 25,000.00 orders have not been followed in respect of payments on 16 occasions as per the sample test totalling Rs. 1,019,661.00.	Payment of 25-rupee stamp fee had been overlooked when paying the examination fees for university teachers. Action will be taken in future to charge a stamp fee for every payment higher than Rs. 25,000.00 in future.
(g) Public Finance Circular No. 449 dated 21 February 2011.	Although the appointments on assignment basis should not exceed 45 days and the maximum sum payable per	The officers concerned have been recruited on assignment basis for maintaining essential services and the allowances have been

	assignment is Rs. 30,000.00, prior approval of the Department of Public Finance had not been obtained for Rs. 718,539.00 paid contravening it to three retired officers working on assignment basis.	determined under the powers vested in the Governing Council.
<b>(h)</b> Financial Regulation 758 and Section 01 of Chapter XXIV of the Establishments Code in respect of the University Grants Commission and the Degree awarding Institutions	Store surveys had not been carried out in addition to the annual survey within specified intervals during the year under review.	I agree. I will take steps to carry out store surveys as per Section 01 of Chapter XXIV of the Establishments Code and Financial Regulation 758
<b>(i)</b> Section 5 (viii) of the University Grants Commission Circular No. 920 dated 5 February 2010.	Security bonds pertaining to 26 teachers had not been revised at the times of salary conversions.	I agree.  Work on revision of security bonds has been commenced.  An experienced staff had not been assigned to the Human Resources Division and official work had been done through Operational Assistants. Therefore it had not been possible to achieve such tasks effectively and successfully.
<b>(j)</b> Establishment Circular by the Chairman of the University Grants Commission No. 12/2013 dated 29 August 2013.	Steps had not been taken to recover the house rents from the officers dwelling in quarters assigned to senior officers and condos for bachelors as per the provisions of the Circulars.	I agree to act in accordance with Circulars of the institutions concerned.
<b>(k)</b> Section 7.6 of Chapter V of the Establishments Code pertaining to the University Grants Commission and the Higher Education Institutions	Rs. 8,220,772.00 had been receivable by the university from two teachers in respect of breach of bonds and contract agreements.	Replies can be given in this regard if information pertaining to the teachers concerned. Letters have been sent to teachers named M.A.P.N. Perera and E.K.N.D. Fernando informing them to pay and follow up action is being taken at present.  In addition, it is difficult in obtain information as all serving in the Human Resources Division are newly recruited officers.

### 3. Financial Review

#### 3.1 Financial outcome

According to the Financial Statements presented, the financial outcome of the Uva Wellassa University for the year that ended on 31 December 2014 showed a deficit of Rs. 59,812,116.00 as against the previous year's deficit of Rs. 123,412,661.00. Compared to the previous year, the financial outcome for the year under review showed a growth of Rs. 63,600,545.00	The growth has been resulted in by the ability of the university to achieve its targeted operational activities compared to the previous year.
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### 04. Operational Review

#### 4.1 Performance

**The following observations are made:-**

<b>(a)</b> The cost borne for 1900 students during the year under review was Rs. 457,802,863.00 and its per capita was Rs. 240,949.00. Compared to this, the previous year's cost on education of 1423 students was Rs. 401,635,931.00 resulting in a per capita student cost of Rs. 282,246.00 Accordingly, the per capita student cost in the year under review had decreases by Rs. 41,297.00 compared to the previous year.	I agree.
<b>(b)</b> Compared to the average teacher to student ratio of 1:17 in the universities of the country in the year under review, the teachers to students ration of the Uva Wellassa University stood at 1:16.	This situation has arisen due to our university being one in the formative years and due to its being located far away from the Capital City.
<b>(c)</b> Although according to the Combined Plan, the University had planned to enroll 605 students in the year under review, it was only 507 students that had been enrolled. Accordingly this shows a drop of 98 students, or 16%.	This has been resulted in by the transfers received by registered students as students are enrolled by the University Grants Commission on national basis and due to non-registration by students expecting higher results in the following year
<b>(d)</b> The income generated through self income generating courses in the year under review had dropped by 37% compared to 2013.	I wish to inform that new courses have been planned to be commenced under the Distant Education Unit.

## 4.2 Management Inefficiencies

<p>Action had not been taken to obtain the legal title to the university for lands 30,9667 in extent which was allotted for the Uva Wellassa University as per the decision to the transfer the land belonging to the Ministry of Industries to the Ministry of Higher Education made by the Cabinet of Ministers at its meeting held on 10 February 2008 for establishing the Uva Wellassa University under Cabinet Paper No. 05/0183/035/001.</p>	<p>As court action is pending pertaining to this, I will take measures to get it transferred legally as soon as the court action is over.</p>
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## 4.3 Utilization of Funds

<p><b>(a)</b> Rs. 71,763,168.00 had been saved out of the Rs. 230,000,000.00 given for the Capital Expenditure thru the revised Budget Estimate for the year under review. It was 31% from the overall capital allocation.</p>	<p>This saving has occurred due to non-release of allocations as suppliers had failed to supply the goods within the given time although purchasing papers had been sent to obtain fixed assets for the year under review from October to December of 2014.</p>
<p><b>(b)</b> The whole of the Rs. 7,000,000.00 allocated for five objects, namely information technology development, student-centred learning, entrepreneurship skills development, business counselling unit and renovations and goods, has been left unutilized.</p>	<p>These allocations have remained unused due to postponement of the planned programmes.</p>
<p><b>(c)</b> It was only Rs. 554,266.00 that had been utilized out of the capital allocation of Rs. 25,000,000.00 for encouragement of research during the year under review. Accordingly, allocations of 24,445,734.00 had remained unutilized and the percentage was 98%.</p>	<p>Although 10% of the budgeted capital allocations was set aside for the encouragement of research, a saving can be seen due to failure to carry out the researches proposed for the year under review. However, these allocations have been utilized for under utilized fixed assets.</p>
<p><b>(d)</b> Although the Rs. 3,323,000.00 given by the District Secretary of Badulla during the year under review for the tissue culture project had been credited to the General Deposits – Capital Account, the project had not been implemented even by 31 March 2015.</p>	<p>Procurement activities are being carried out for purchasing goods and instruments necessary for this project and I will take steps to submit its financial and physical progress to the District Secretary in future.</p>

## 4.4 Un-Economic Transactions

<p>Although a sum of one million rupees earned from external courses during</p>	<p>I will take steps to invest money in fixed deposits.</p>
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every month of the year under review lied in the current account, action had not been taken to derive an interest by investing it.	
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#### 4.5 Dormant Under-Utilized Assets

The following observations are made:-

<b>(a)</b> Five fire protection safes worth Rs. 322,560.00 that had been purchased on 30 June 2010 had been lying idle without being put to use even as at 31 December of the year under review.	I accept this observation and action is being taken to exchange these safes with iron cabinets upon the agreement of the supplier concerned.
<b>(b)</b> The 3-Axis CNC machine worth Rs. 14,060,480.00 purchased for the Engineering Workshop in the year 2012 had been lying idle without being put to use even as at 31 December of the year under review.	I have consulted the Head of the Department and Dean in this regard and given instructions to put the equipment to use I wish to inform that the machine is being used.
<b>(c)</b> Even though fixed assets worth Rs. 1,117,933.00 had been granted the External Courses Division through the HETC Project, it was noticed that these assets had not been put to fruitful use to achieve the objectives of the External Courses Division.	A new building has been constructed for the Main Stores of the university and the building in which the activities of the Stores is currently maintained has been earmarked for the External Courses Division. Arrangements have been made to refurbish this building and use it for the activities of the External Courses Division.
<b>(d)</b> The accounting computer software worth Rs. 222,768.00 purchased in 2013 to facilitate the administrative activities at the Finance Division of the University was seen being used for only writing out cheques.	It is difficult to update this software due to the deficiencies in the operation of certain accounting systems in it. The firm from which this software was purchased has already been informed of this and I intend to facilitate the activities of the Finance Division after this has been rectified.

#### 4.6 Visible Irregularities

<b>(a)</b> The university had acted in contravention of Guidelines 2.8.5, 5.2.1 (a), 6.3.2, 6.3.3 and 6.3.3.1 (a) of the Procurement Guidelines in selecting the supplier for photographing and video-filming the Convocation held in the year under review and violated the objectives stated in its Guideline 1.21 and the ethics stated in Guideline 1.4. At the same time, although it is mentioned that a 10" x 12" photograph was Rs. 100.00 according to the prices quoted by the selected supplier, it was confirmed in the audit that a photograph had been sold to	The university has only facilitated the service. The procurement of the service was carried out according to the preference of students.
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<p>graduands at prices as high as Rs. 336.00. As such, the university had aided and abetted in an undue earning of Rs. 104,784.00. In addition, although the ownership and copyright is vested in the university, action had not been taken to gain any proceeds to the University Fund.</p>	
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#### 4.7 Shortcomings in Contract Administration

##### The following observations are made:-

<p><b>(a)</b> Although the Garment Factory Building had been renovated spending Rs. 41,247,644.00 in 2008, rainwater seeped through the roof resulting in damage to the ceiling and action had not been taken to rehabilitate the roof of the building during the January-April period of the year under review.</p>	<p>It was not possible to implement this project due to insufficiency of the provisions allocated in the Annual Plan. A consultant has been appointed and action necessary to implement the project has now been taken.</p>
<p><b>(b)</b> Although there had been the possibility to correct the bills of quantities after preparing construction project plans, there had been vast variations in the objects. Some objects showed variations of 50% to 300% between the estimates and the real values in performing the tasks.</p>	<p>The consultancy firm has been informed of this and action has been taken not to approve or pay for the variations without a fair reason.</p>
<p><b>(c)</b> Minimizing the exceeding of estimated cost has been problematic due to failure till the year under review in taking action to commence the 12 construction projects which should have been commenced in the year 2010 and completed in 2013.</p>	<p>The projects concerned had been included in the Annual Project Plan the projects were implemented on par with the allocations received and the need for the relevant projects.</p>

#### 4.8 Staff Administration

##### The following observations are made:-

<p><b>(a)</b> Action had not been taken to recruit for the 70 vacant positions of the 213 positions in the approved academic staff of the university as at 31 December of the year under review.</p>	<p>Advertisements pertaining to the recruitment to vacant positions in the academic staff of the university have been published in newspapers by now and interviews are being held to scrutinise the qualifications of applicants for recruiting.</p> <p>In addition, applications have been received for the posts of Associate Professor, which are being scrutinized for qualifications in terms of Circular No. 916 of the Commission.</p> <p>Further, service needs are fulfilled through Visiting Lecturers from the Universities system while service of</p>
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	Temporary Lecturers and Temporary Demonstrators is also obtained.
<b>(b)</b> The University had failed to fill the vacancy in the post of Librarian, who should be appointed in Terms of Section 33 of Part VI of the Universities Act No. 16 of 1978.	Work pertaining to the recruitment for the post of Librarian is being carried out.
<b>(c)</b> The post of Registrar has remained vacant since 12 March 2014 and the University had failed to fill the vacancy in Terms of Section 37 (1) of the Universities Act No. 16 of 1978.	It was not possible to choose a suitable person for the post of Registrar at the interview held pursuant to the advertisement published on 20 July 2014 and the Council has decided to publish the advertisement again.
<b>(d)</b> The University administration had failed to recruit for the 70 vacant positions of the 113 positions in the approved Non-Academic Staff of the University as at 31 December of the year under review.	Office administration work had been conducted through the Operations Assistants created by the University and through the trainees of technical colleges without filling the vacancies of the non-academic staff upon a policy decision made at the inception of the University. Action has been taken to fill the posts of Pharmacist, Hostel Matron/Warden, Overseer (Civil) and Computer Applications Assistant by now.
<b>(e)</b> Although the University has 32 laboratories, the University has failed to fill 10 of the 12 posts in the approved Technical Staff in the year under review.	Internal applications were called for recruitment to the technical staff and as the response was minimal, action has been taken to get the list of names according to Commission Circular 876.
<b>(f)</b> Action had been taken to recruit for the post of Senior Assistant Registrar as per the appointment letter bearing reference UGC/HR/1/2/452 dated 05 September 2008 contrary to the minimum qualifications required by University Grants Commission Circular 794 dated 08 January 2002.	The power to recruit for the post of Senior Assistant Registrar rests with the University Grants Commission in Terms of Sections 71 and 72 of the Universities Act. The appointment had been given by the University Grants Commission and not by the Uva Wellassa University.
<b>(g)</b> Five Lecturers belonging to the Academic Staff had not completed the Staff Development Training Course which includes learning/ teaching techniques that should be completed within one year from the date of appointment according to their letter of appointment.	I wish to inform that delays did occur as the members of the teaching staff of the University had been engaged in preliminary academic activities since the Staff Development Centre had not been established at the inception of the university and later those teachers have completed those requirements.
<b>(h)</b> The appointments of four Lecturers became null and void because the Registrar of the University functioned as a member of the Panel at the Interview conducted for appointing Lecturers to the Academic Staff in terms of the provisions of University Grants	The Registrar of the University is the Official Secretary to the Senate and to the Council according to the Universities Act No. 16 of 1978. Registrar or her representatives had attended at all panels for recruitment and this had happened for the mere reason that her name had not been recorded as secretary.

Commission Circular No. 166 dated 06 April 1982.	
(I) Although a post of Book Keeper had not been approved in the cadre of the University, service of two persons had been obtained for the post of Book Keeper from the private firm which provides services to the university at present as per the Procurement Committee decision No. 638/2014 dated 24 July 2014.	I agree that two employees were recruited due to urgent needs from Abans, who provides services to the university, and the service of these to Book Keepers was obtained considering it as an urgent need in order to submit the accounts in time. Necessary action for recruiting two Book Keepers is being taken by publishing a newspaper advertisement. Non-academic staff services were obtained from service-providers upon a policy decision made at the inception.

#### 4.9 Utilization of Vehicles

(a) There had been a condition to pay for the number of kilometres by which a vehicle falls short of the minimum number of kilometres that should be run monthly according to the agreement reached for vehicles. As such, a sum of Rs. 914,878.00 had been paid for 29,897 unused kilometres during the year 2014 under review.	<p>Tenders had been called treating 3000km as a monthly running average. Fuel cost, monthly maintenance cost, insurance premium and driver's salary were all taken into account in this regard. At the same time, as it causes a financial loss to the recipient of the service when the vehicle is not run the whole of the 3000km, a separate rate was obtained for the number of kilometres by which the minimum running distance falls short (difference between the 3000km and the actual distance). This is actually a rate charged for factors (except fuel) such as chauffeur's salary, monthly maintenance cost, insurance etc.</p> <p>At the same time, the aforesaid prices were called because in certain months a distance of 3000km is not covered. When a year is taken into account, the month of April and the months in which examinations are held can be cited as periods which record low running distances.</p> <p>At the same time, it is not possible to remove such vehicles from running as a running distance of about 2500km is recorded during the periods mentioned. At the same time, it can be pointed out that the low number of kilometres is recorded by the crew cab. The monthly running distance of this vehicle is 2000km. The tasks for which this vehicle is assigned (such as supply of water) take a minimum value in certain months. Therefore I inform that such a difference may occur.</p>
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### 05. Accountability and Good Governance

#### 5.1 Presentation of Financial Statements

Although Financial Statements for the year which ended on 31 December 2014	The submission of these Financial Statements was delayed
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should have been submitted to the Auditor General within 60 days from the end of the financial year according to the Public Finance Circular No. PF/PE 21 dated 24 May 2002, the Financial Statements for the year under review had been submitted for audit only on 31 March 2015.	due to absence of a adequate support staff. I will take steps to prevent such delays in future.
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## 5.2 Combined Plan

### The following observations are made:-

<b>(a)</b> 21 Projects in the Combined Plan for the period 2014-2018, which should have been implemented during the year under review, had not been commenced.	Most of the planned projects have been commenced and practical difficulties have been faced in implementing all projects.
<b>(b)</b> The Combined Plan did not contain a review of operational outcomes for the previous three years as per Paragraph 5.1.2 of the Public Enterprise Circular PGD/12 dated 02 June 2003, and the Combined Plan had not been presented so that progress could be evaluated as it did not indicate the monetary values of the targets that should be achieved.	I will take action to rectify these lapses when the plans concerned are updated.

## 5.3 Action Plan

### The following observations are made:-

<b>(a)</b> At the inspection that was carried out in respect of the Action Plan for the year under review, it was found that the Plan did not contain the updated organizational structure of the University, details of the approved cadre and the currently existing staff and the internal audit plan as required by Paragraph 04 of the Public Finance Circular No. 01/2014 dated 17 February 2014.	I will take action to rectify it.
<b>(b)</b> Performance Reports had not been prepared for measuring the physical progress of the the Action Plan.	I will take action to rectify it.
<b>(c)</b> Although a Strategic Management and Development Committee had been established to measure the physical progress of the Combined Plan and the Action Plan and to make decisions pertaining to it, this Committee had not met every month and carried out a progress review.	I will take action to conduct the meetings as have been planned.

#### 5.4 Audit and Management Committee

##### The following observations are made:-

<p><b>(a)</b> Although four meetings of the Audit and Management Committee should be held each year as required by Paragraph 15 of the Public Enterprise Circular No. 55 dated 14 December 2010, only 02 Committee meetings were held during the year under review.</p>	<p>The follow up action will be carried out as specified.</p>
<p><b>(b)</b> A delay was observed in implementing the decisions made at the 32<sup>nd</sup> Audit Committee Meeting with regard to operating the computerized accounting system that has already been purchased in an up-to-date manner, issuing letters to assign duties to all officers of the Non-Academic Staff, maintaining the audit queries register and replying to audit queries.</p>	<p>The firm from which this computer software was purchased has already been informed to rectify the lapses of this so that it can be run up-to-date. I will take steps to issue letters assigning duties to all officers who have not received such letters. An Audit Queries Register is maintained and I will take action to update it.</p>

#### 5.5 Procurement Plan

##### The following observations are made:-

<p><b>(a)</b> Although the university possesses a web page and sufficient information technology facilities, action had not been taken to carry out procurement activities electronically as per Guideline 9.8 of the Procurement Guidelines</p>	<p>I will take steps to carry out procurement activities electronically.</p>
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#### 5.6 Budgetary Control

##### The following observations are made:-

<p><b>(a)</b> It was noticed that the budget had not been used as an effective management control as it was observed that allocations for five recurrent expenditure objects showed variations from 13% to 61% while the allocation for seven capital expenditure objects showed variations of 15% to 91% when estimated expenditures were compared with the actual expenditures.</p>	<p>This saving has occurred due to non-release of recurrent and capital allocations for the final quarter of 2014.</p>
<p><b>(b)</b> Rs. 2,782,153.00 and Rs. 94,500.00 had been spent for the Staff Development Institute and for purchasing the Degree Cloaks respectively from the Budget Estimate of the year under review without obtaining approval for using capital provision.</p>	<p>These purchases have been carried out using the extra provisions given for the University Staff Development Centres by the University Grants Commission.</p>

### 5.7 Observations Regarding Unresolved Audit Paragraphs

<p>The University has failed till now to restore the waste water recycling project as per the instructions given by the Committee on Public Enterprises at its Meeting held on 21 September 2012.</p>	<p>We have commenced all the work pertaining to the restoration of the waste water recycling project by now.</p>
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